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31 July 1962

## MEMORANDUM FOR THE DIRECTOR

SUBJECT: Comments on "Memo for the Special Group (Augmented)" by General Lansdale, dated 25 July 1962, in the light of findings in the new NIE 85-2-62: The Situation and Prospects in Cuba

## Page 5, para. beginning "The evidence . . . "

The Cuban economy is suffering and badly. But Soviet development credits, and now \$50 millions in commodity credits, are much more important than trade in keeping the economy going.

It would be better not to describe the economy as "limping along" (which suggests just staying even), but as suffering the consequences of major readjustments and mismanagement.

The new Cuba estimate makes the judgment that no significant overall improvement will occur in the Cuban economy for several years.

## Page 5, para. beginning "CIA reports . . . "

The new Cuba estimate gives the Cuban armed forces considerable credit for ability to handle guerrilla forces. (Helms was amxious to make this point, as was the TF/W representative.)

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The NIE makes no attempt to judge the size of the largest guerrilla forces. (TF/W in oral comment pooh-poohed the figure of 300 which was suggested by INR (State Department) as a top figure for individual guerrilla groups.)

The RIE implies that existing bands are small and kept small not only by lack of arms and supplies, but also by the armed forces' ability to destroy large bands.

## Page 6, para. beginning "Assets . . . "

The NIE makes the judgment that resistance activity and potential would increase substantially in response to availability of arms and supplies, but it says that action to over-throw the regime would even then require that two other conditions be met:

- (1) That some event had raised doubts in the minds of Cubans as to the Castro regime's staying power, and
- (2) That Cubans were convinced that US support in adequate measure would be supplied to support an insurrection.

I beg you to ponder the 4th sentence in this paragraph. It is a kind of net estimate -- something that the Board of Mational Estimates seldom makes, particularly, as in this case, where US assets are presumably engaged. But before it is accepted

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as official our Board should have a hard look at it, or better yet some of us might try to thrash out some sort of net estimate with the planners.

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